

The Child Care Crisis During COVID-19 House Health Committee June 24, 2020

Child Care is Essential

For today's workforce

- Pre-COVID 65% of parents with young children were in the workforce
- Child care is the workforce behind the workforce
- Businesses rely on child care so that their employees can return to work and do their jobs

For children's healthy development and early learning

- 250,000 enrolled in 5,700 licensed child care programs statewide
- Early childhood education is key to closing the education gap and improving school readiness

For state's economic recovery and future prosperity

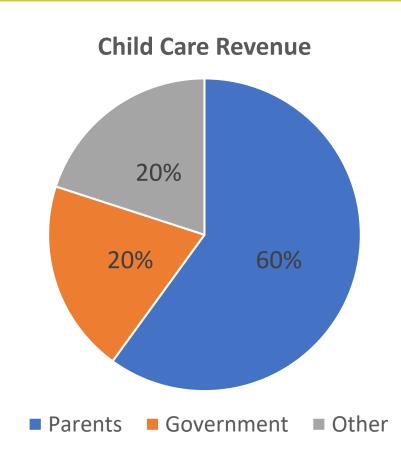
• Child care is an economic driver that contributes \$3 billion annually to the state's economy and creates 65,000 jobs.



Child Care Financing Approach is Broken

Child Care operates as a private business – Market Model that doesn't work.

- All child care programs operate on razor-thin margins, little cash reserves
- Revenue comes primarily from parents programs need full enrollment
- Workforce requires special skills and education, but remains low-wage with few benefits
- Tens of thousands of families on waiting lists for services
- During COVID enrollment dropped dramatically, staff laid off, programs lost revenue and went into debt
- 1/3 of all programs reported they couldn't sustain a closure of more than a few weeks.



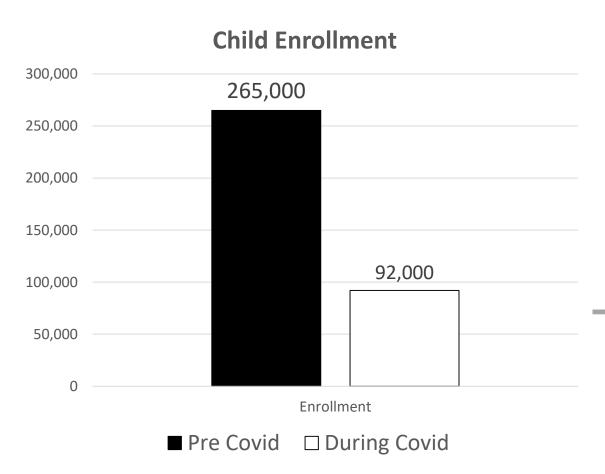


Child Care During COVID-19

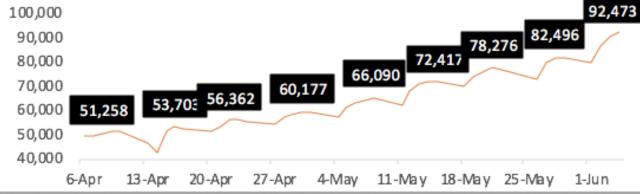
- Essential child care services opened to support essential workers during the stayat-home phase
- About ½ of all programs remained open providing child care for essential workers
- All required to meet CDC health and safety guidelines
- Some are reopening as the state reopens, changing picture daily



Status of Child Care: Child Enrollment



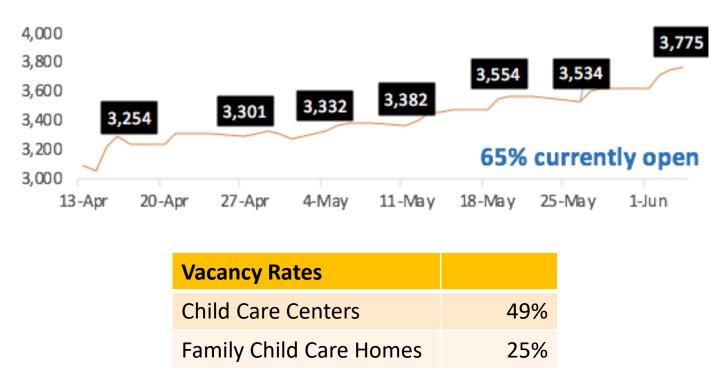




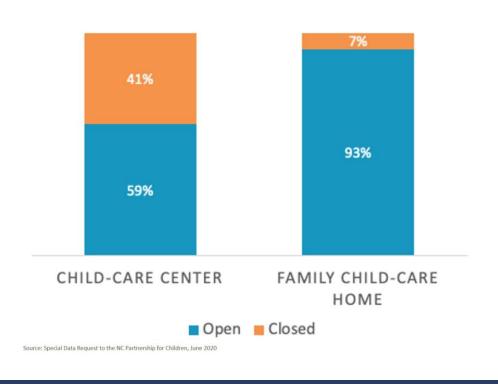


Status of Child Care: Programs





41% of all child care centers in NC remain closed

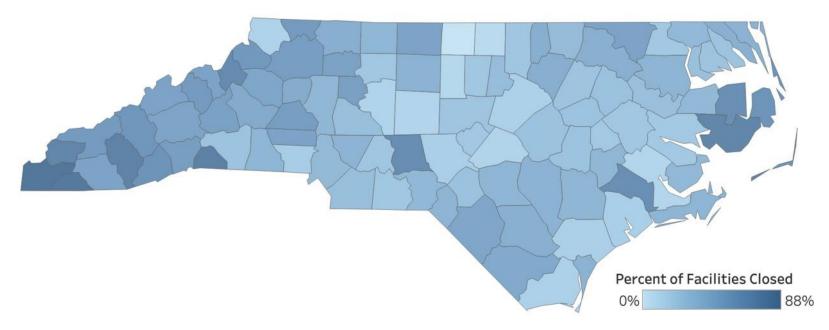




Status of Child Care in Counties

33% of child-care facilities remain closed in N.C.

PERCENT OF CHILD-CARE FACILITIES CLOSED BY COUNTY AS OF MAY 29, 2020



County Data Handout

Source: Special Data Request to the NC Partnership for Children, June 2020



DCDEE Essential COVID-19 Child Care Response



Health and Safety

- Regularly updating health and safety guidance aligning with CDC recommendations
- Partnered with local Smart Start Partnerships to help find supplies locally
- Deployed Child Care Health Consultants to support programs reopening
- Issue "Health and Safety Certificate" when training is completed



Access and Affordability for Families

- Launched child care hotline for essential workers ended in May
- Covered copayments for families receiving subsidy for April, May, June
- Launched <u>Emergency Child Care Subsidy program</u> for essential workers (up to 300% FPL) serving 17,000+ children in April ended in May



DCDEE Essential COVID-19 Child Care Response



For Child Care Programs

- Provided <u>subsidy stabilization</u> to all programs (April & May), and all open programs in June
- Provided NC Pre-K stabilization through end of school year
- Providing <u>operational grants</u> based on fixed costs to open child care programs For April, May, June



For the Child Care Workforce

- Provided <u>bonus payments</u> of \$950/month to teachers and \$525/month to staff for April and May – ended now
- Launched Hope4Healers <u>mental health helpline</u> for child care and health care workers experiencing stress



Ongoing Challenges



Some open programs may close, Some may never reopen

- Access to health and safety supplies and limited technical consultation
- Low parent enrollment
- Higher operating costs
 - health and safety requirements + reduced child/staff ratios
 - fixed costs remain
- Hard to attract and retain qualified staff



Child Care Program Perspective







Child Care Program Perspective

Theressa Stephens

President of Church Child Care Center in Walkertown, NC, in Forsyth County







Questions?

